

Statistics Weekly

Thursday, 8 February 1990

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Lower CPI increase despite housing costs

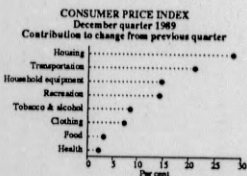
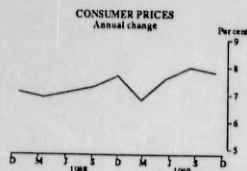
The overall CPI increased by 1.9 per cent between the September and December quarters and by 7.8 per cent over the year to the December quarter.

Both figures are down on the results recorded in the September quarter (2.3% and 8.0% respectively) despite another major rise in housing costs largely driven by increases in mortgage interest charges and local government rates and charges. Housing costs continued to contribute significantly to the movement in the all groups index, accounting for 28.4 per cent of the quarterly increase.

On the other hand, the relatively small increase in food prices this quarter (0.3% — mainly due to falls in the prices of fresh fruit and vegetables) had a moderating influence. This can be seen by comparing the increase in the index for all groups excluding food (2.2%) with that for the all groups index (1.9%).

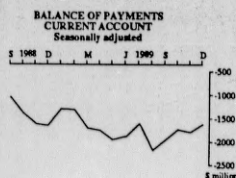
(Note that the annual CPI figures for both housing and the all groups index have been influenced by the one-off effects of a change in the treatment of mortgage interest charges from March quarter 1989.)

Four of the CPI's eight commodity groups accounted for more than 75 per cent of the increase in the all groups index in the December quarter — housing (28.4%), household equipment and operation (14.7%), transportation (21.3%) and recreation and education (14.3%).



CONSUMER PRICE INDEX, DECEMBER QUARTER 1989
Weighted average of eight capital cities

	Percentage change	
	From previous quarter	From corresponding quarter of previous year
Food	0.3	7.6
Clothing	2.0	5.1
Housing	3.4	13.6
Household equipment and operation	1.5	4.9
Transportation	2.4	8.2
Tobacco and alcohol	2.0	8.7
Health and personal care	0.7	7.7
Recreation and education	2.5	5.5
<i>All groups</i>	<i>1.9</i>	<i>7.8</i>
<i>All groups excluding housing</i>	<i>1.6</i>	<i>6.8</i>
<i>All groups excluding food</i>	<i>2.2</i>	<i>7.8</i>



Merchandise trade in surplus

The balance of payments current account deficit for December fell sharply by \$695 million (or 43%) in original terms and by \$170 million (9%) in seasonally adjusted terms.

Surpluses of \$502 million (in original terms) and \$2 million (seasonally adjusted) on the balance on merchandise trade were the highlights of the December outcome. The seasonally adjusted surplus was the first since April 1988. With exports remaining fairly static, the surpluses resulted from a significant fall in imports (20% in original terms and 8% seasonally adjusted).

The sharp fall in imports was shared by all commodity groups except fuels. The largest falls occurred in machinery, miscellaneous manufactures and chemicals. Reduced imports of iron and steel were mainly responsible for a fall in metals and metal manufactures.

A 19 per cent increase in rural exports, with wool exports being a significant contributor, was marginally offset by an 8 per cent decrease in non-rural exports where falls occurred in all commodity groups.

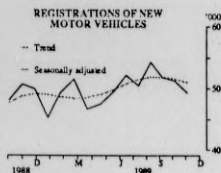
In seasonally adjusted terms, the rises in the deficits on net services and net income, combined with the fall in the surplus on net unrequited transfers, were more than offset by the turnaround of \$318 million to a surplus of \$2 million in the balance on merchandise trade.

BALANCE OF PAYMENTS, CURRENT ACCOUNT
\$ million

	November 1989		December 1989	
	Original	Seasonally adjusted	Original	Seasonally adjusted
Balance on current account	-1,603	-1,792	-908	-1,622
Balance on merchandise trade	-365	-316	502	2
Net services	-340	-441	-343	-464
Net income	-1,083	-1,191	-1,223	-1,308
Net unrequited transfers	185	156	156	148

On the capital account, official sector transactions recorded an inflow of \$364 million after an outflow of \$1,037 million in the previous month. Transactions in general government borrowing and official reserve assets were responsible for the turnaround.

For further information, order the publication *Balance of Payments, Australia* (5301.0), or contact either Daniel Aherne on (062) 52 6689 or Peter Bradbury on (062) 52 5540.



New car registrations fall further

New motor vehicle registrations decreased by 3.7 per cent to 49,351 in December after seasonal adjustment. This followed falls of 1.0 per cent and 4.6 per cent in November and October respectively.

Despite the continuing decline, registrations in December were only 1.0 per cent lower than in the same month last year in seasonal terms. The major component of total registrations, motor cars and station wagons, accounted for most of the seasonally adjusted decline, falling by 1,444 in the month to 37,970.

The ABS trend estimate for December showed a 1.0 per cent decline over November; the third decrease in a row.

For further information, order the publication *Registrations of New Motor Vehicles, Australia (9301.0)*, or contact Chee Low on (062) 52 6243.

Dwelling unit approvals continue to decline

The number of dwelling units approved in December fell by 8 per cent in seasonally adjusted terms to 11,041 after the small rise in November.

Although the total fell, the seasonally adjusted count of private sector house approvals increased by 10 per cent from 7,702 in November to 8,484 in December.

The trend estimate for private sector houses, which had been falling sharply in earlier months, actually recorded a slight rise in December. As the table shows, however, this turnaround could not be found in other types of housing approvals.

DWELLING UNITS APPROVED, DECEMBER 1989

	Private sector houses		Total dwelling units	
	No.	Percentage change on previous month	No.	Percentage change on previous month
Original	7,294	- 15.0	9,597	- 27.5
Seasonally adjusted	8,484	10.2	11,041	- 7.7
Trend estimate	8,056	0.9	11,298	- 1.4

The value of non-residential building approvals in December (not seasonally adjusted) at \$701.1 million represents a significant decline of 41 per cent compared with the previous month, mainly due to a fall of \$208 million in private sector shops. Of the States, Queensland recorded the largest decline of \$239 million.

For further information, order the publication *Building Approvals, Australia (8731.0)*, or contact Paul Seville on (062) 52 6067.

Poor children dependent on government pensions/benefits

One in eight of Australia's 3.7 million children belong to families dependent on government pensions or benefits for 90 per cent or more of their total income.

This is one of the findings of the social report, *Australia's Children 1989*. The new ABS report provides a wide range of information on Australia's children and issues such as children's health and lifestyle, child care, education, family life and substitute care, as well as family income.

The report reveals that there were 740,400 children under 15 in the poorest 20 per cent of income units in 1986 — in terms of *equivalent income*. (*Equivalent income* is actual income adjusted to allow meaningful comparison between families or income units of different size and composition.)

One in three children in the poorest 20 per cent of income units, referred to in statistical terms as the lowest income *quintile*, were living with only one parent. They represented 56 per cent of all children in one parent income units. While the majority of children in the lowest quintile were living with both parents, they represented only 15 per cent of all children in couple income units.

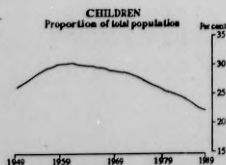
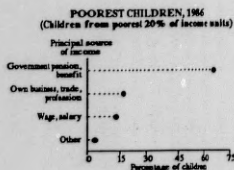
Three in five children in the lowest quintile belonged to income units dependent on government pensions or benefits such as the Unemployment Benefit and Supporting Parent's Benefit for 90 per cent or more of their total income.

Even in the second lowest quintile, 19.2 per cent of children lived in income units dependent on pensions and benefits as their principal source of income. As would be expected, this reliance on government assistance as a principal income source disappeared in the higher quintiles.

While low income is strongly associated with non-participation in the labour force and unemployment, it is nevertheless interesting to note that 34 per cent of children in the poorest 20 per cent of income units had at least one parent in full-time employment.

Overall, 40 per cent of children in the lowest quintile had a parent or parents in either full-time or part-time employment, compared with 86 per cent of all children.

The chart at left shows the number of children in Australia as a proportion of the total population. The recent decline is due mainly to the dramatic fall in fertility, from an average of 3.4 children per woman during the period 1956 to 1960 to current levels of around 1.8, and falling death rates among the adult population. These trends in fertility and mortality are not peculiar to Australia but are common to many developed countries, some of which have even smaller child population proportions than Australia.



All the week's releases: 31 January to 6 February

General

- Statistics Weekly, 1 February 1990 (1318.0; \$3.50)
- Monthly Summary of Statistics, NSW, January 1990 (1305.1; \$12.50)
- Monthly Summary of Statistics, Qld, January 1990 (1304.3; \$8.00)
- Monthly Summary of Statistics, WA, January 1990 (1305.5; \$8.00)
- Monthly Summary of Statistics, SA, January 1990 (1303.4; \$8.00)

Census of Population and Housing

- Information Paper: Census 86: Data Quality — Undercount (2607.0; \$12.50) — *new issue*

Social statistics

- Australia's Children, 1989 (4119.0; \$17.50) — *new issue*

National accounts, finance and foreign trade

- Balance of Payments, Aust., December 1989 (5301.0; \$12.00)
- Exports, Aust.: Annual Summary Tables, 1988–89 (5424.0; \$16.50)
- Imports, Aust.: Annual Summary Tables, 1988–89 (5426.0; \$16.50)
- Government Financial Estimates, Aust., 1989–90, Preliminary (5505.0; \$2.00)
- Authorised Dealers and Money Market Corporations, Aust., November 1989 (5638.0; \$8.00)
- Credit Co-operatives, General Financiers and Other Financial Corporations, Aust., November 1989 (5640.0; \$12.50)

Labour statistics and prices

- The Labour Force, Aust., December 1989 (6203.0; \$13.00)
- Consumer Price Index, December Qtr 1989 (6401.0; \$10.00)
- Price Indexes of Materials Used in Coal Mining, Aust., November 1989 (6415.0; \$5.00)

Agriculture

- Livestock Products, Aust., December 1989 (7215.0; \$5.00)

Secondary industry and distribution

- Production of Household Appliances and Electrical Equipment, Aust., October 1989 (8357.0; \$5.50)
- Production of Food, Drink, Tobacco and Stock and Poultry Food, Aust., September and October 1989 (8359.0; \$8.50)
- Production of Fibres, Yarns, Fabrics, Bedding and Floor Coverings, Aust., October 1989 (8360.0; \$8.50)
- Production of Paper, Plastics, Paints, Industrial Chemicals and Detergents, Aust., October 1989 (8362.0; \$5.50)
- Sales of Australian Wine and Brandy by Winemakers, December 1989 (8504.0; \$5.00)
- Sales and Stocks of New Tractors, Aust., September Qtr 1989 (8507.0; \$5.00)
- Building Approvals, Aust., December 1989 (8731.0; \$8.50)
- Tourist Accommodation: Four and Five Star Hotels and Motels, Melbourne Statistical Division, December 1989 (8646.2; \$5.00)
- Building Approvals, Vic., December 1989 (8731.2; \$8.50)
- Dwelling Units Commencements Reported by Approving Authorities, Vic., November 1989 (8741.2; \$8.00)
- Sawmill Statistics, Qld, September Qtr 1989 (8206.3; \$3.30)
- Building Approvals, WA, December 1989 (8731.5; \$8.00)
- Building Approvals, SA, December 1989 (8731.4; \$8.00)
- Building Approvals, NT, December 1989 (8731.7; \$5.00)
- Tourist Accommodation: Selected Establishments, ACT, December 1989 (8646.8; \$5.00) — *final issue*

Inquiries

The ABS supplies statistical information:

- through its bookshops
- by mail order (including subscription)
- by facsimile
- electronically.

To order any of the publications that appear in *Statistics Weekly* or to inquire about the statistics and services available from the ABS, contact Information Services at any of the offices listed below. An Information Consultancy Service in each office provides assistance of a more extensive or complex nature.

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ABS State Offices

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- WA (09) 323 5140
- SA (08) 237 7100
- Tas. (002) 20 5800
- NT (089) 81 3456

Any suggestions for improvement to this publication should be addressed to:

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Statistics Weekly
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8 February 1990

Transport

Registrations of New Motor Vehicles, Aust., December 1989, Preliminary (9301.0; \$4.00)

Motor Vehicle Registrations, Aust., November 1989 (9303.0; \$9.00)

Road Traffic Accidents Involving Fatalities, Aust., December 1989 (9401.0; \$4.00)

Motor Vehicle Registrations, Vic., December 1989 (9303.2; \$6.00)

Road Traffic Accidents, Qld, June Qtr 1989 (9405.3; \$8.00)

Calendar of key releases

Expected releases over the fortnight to 20 February 1990

February

8

The Labour Force, Aust., January 1990, Preliminary (6202.0; \$8.50)

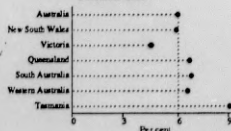
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Retail Trade, Aust., December 1989 (8501.0; \$8.50)

The latest ...

Changes to key State indicators — consolidated to
6 February 1990

UNEMPLOYMENT RATE
Seasonally adjusted
December 1989



	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	Aust.
— Percentage change from same period previous year —									
New capital expenditure (Sept. qtr 89)*	15.9	24.8	15.2	0.0	45.4	-26.7	n.a.	n.a.	21.1
Retail turnover (Nov. 89) (trend estimate)	11.9	4.6	10.8	5.6	12.0	9.1	n.a.	6.3	9.3
New motor vehicle registrations (Dec. 89)*	-9.6	13.3	-2.6	3.8	-8.2	n.a.	-8.4	11.4	-1.0
Number of dwelling unit approvals (Dec. 89)	-35.6	-31.7	-31.9	-1.4	-36.4	-32.4	109.7	-28.9	-31.2
Value of total building work done (Sept. qtr) (Dec. 89)*	20.5	25.8	28.1	30.9	36.5	18.2	1.8	6.4	24.8
Employed persons (Dec. 89)*	4.1	3.3	6.7	2.4	3.5	6.5	7.5	3.5	4.2
Capital city consumer price index (Dec. qtr 89)	7.4	8.5	7.7	7.5	7.8	7.4	7.5	6.5	7.8
Average weekly earnings (full-time adult ordinary time) (August 89)	10.6	6.9	5.8	7.6	5.8	6.7	4.5	7.5	8.0
Population (June 89)	1.1	1.3	3.2	1.1	3.0	0.6	0.2	1.6	1.6
Room occupancy rates in licensed hotels and motels, etc (June qtr 89)	-3.5	-0.7	-12.6	1.5	3.5	4.5	0.9	-10.0	-3.9

* Seasonally adjusted for States (but not Territories)

		Period	Latest figure available		Percentage change (a) on		
			Original	Seasonally adjusted	Previous period	Corresponding period last year	
National production							
Gross domestic product	— current prices	\$m	Sept. qtr 89	89,803	89,733	1.8	13.0
	— 1984-85 prices			63,334	63,732	0.7	5.4
Industrial activity							
New capital expenditure	— current prices	\$m	Sept. qtr 89	7,152	7,413	0.0	20.2
	— 1984-85 prices			5,544	5,755	-1.8	18.3
Expected new capital expenditure		"	Three months to Dec. 89	8,493	n.a.	n.a.	11.3
Retail turnover	— current prices	"	Nov. 89	7,197	6,939	2.2	10.9
	— 1984-85 prices		Sept. qtr 89	14,280	14,788	0.9	5.0
New motor vehicle registrations		No.	Dec. 89	47,168	49,351	-3.7	-1.0
Dwelling unit approvals		"	"	9,597	11,041	-7.7	-27.7
Value of all building approvals		\$m	"	1,622	1,810	-16.2	-25.5
Value of total building work done	— current prices	"	Sept. qtr 89	7,973	7,583	-1.8	24.7
	— 1984-85 prices		"	5,257	4,999	-3.9	11.2
Manufacturers' sales		"	Sept. qtr 89	36,369	35,389	1.5	14.0
Expected manufacturers' sales		"	Three months to Dec. 89	37,447	n.a.	n.a.	9.6
Labour							
Employed persons (e)		'000	Dec. 89	7,491.6	7,845.6	0.0	4.2
Unemployment rate † (e)		%	"	5.9	6.0	0.1	-0.9
Participation rate † (e)		'000	Nov. 89	64.2	63.5	0.0	0.8
Job vacancies		"	"	62.7	66.0	-6.6	-6.0
Average weekly overtime per employee		hours	"	1.6	1.5	-3.0	7.7
Prices, profits and wages							
Consumer price index	1980-81 = 100.0	Dec. qtr 89	200.7	n.a.	1.9	7.8	
Price index of materials used in manufacturing industry	1984-85 = 100.0	Nov. 89	118.0	n.a.	0.2	8.2	
Price index of articles produced by manufacturing industry	1968-69 = 100.0	"	566.6	n.a.	0.6	7.0	
Company profits before income tax		\$m	Sept. qtr 89	4,846	4,667	-3.6	14.1
Average weekly earnings (Full-time adults; ordinary time)		\$	August 89	508.40	n.a.	1.5	8.0
Interest rates (b) (monthly average)							
90-day bank bills †	% per annum	Dec. 89	17.80	n.a.	-0.4	2.6	
10-year Treasury bonds †		"	12.90	n.a.	-0.2	-0.2	
Balance of payments							
Exports of merchandise	\$m	Dec. 89	4,155	4,012	-0.9	15.4	
Imports of merchandise	"	"	3,653	4,010	-8.1	1.0	
Balance on merchandise trade (c)	"	"	502	2	n.a.	n.a.	
Balance of goods and services (c)	"	"	159	-462	39.0	32.7	
Balance on current account (c)	"	"	-908	-1,622	9.5	2.0	
Terms of trade (d)	1984-85 = 100.0	Sept. qtr 89	n.a.	108.2	-2.8	3.0	
Foreign investment							
Net foreign debt	\$m	30 Sept. 89	110,329	n.a.	1.9	14.7	
Net foreign liabilities		"	147,716	n.a.	3.5	15.1	
Exchange rates (monthly average)							
SUS	per \$A	Dec. 89	0.7859	n.a.	0.4	-8.5	
Trade weighted index	May 1970 = 100.0	"	60.7	n.a.	-0.2	-3.5	
Other indicators							
Population (resident at end of qtr)	million	June 89	16.8	n.a.	0.4	1.6	
Overseas visitors	'000	Nov. 89	193	170	3.2	-5.1	

(a) Based on seasonally adjusted figures where available. (b) Source: Reserve Bank of Australia. (c) For percentage changes, a minus sign indicates an increase in the deficit; no sign means a decrease in the deficit or an increase in the surplus. (d) The ratio of the price of goods and services for exports to that for imports. (e) Later figures released on Thursday, 8 February 1990.
NOTES: † = change is shown in terms of percentage points. n.a. = not available.

Figures have been taken from a variety of ABS publications. Copies may be obtained from Information Services (see page 6). Some of the figures shown are preliminary, some final, and some are revisions of previously published figures. Users should check the latest relevant publication or with the ABS Information Services if the status of the statistic is important.

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